

Message Text

UNCLASSIFIED

PAGE 01 COLOMB 01984 241200Z

43

ACTION OPIC-06

INFO OCT-01 NEA-10 ISO-00 EB-07 COME-00 TRSE-00 XMB-04

AID-05 IGA-01 /034 W

----- 024117

R 241125Z JUN 75

FM AMEMBASSY COLOMBO

TO SECSTATE WASHDC 2935

UNCLAS COLOMBO 1984

E.O. 11652 N/A

TAGS: BGEN, EINV, CE

SUBJ: AMERICAN FIRM BID FOR OFF-SHORE DRILLING; OPIC INSURANCE

REF: (A) COLOMBO 1176 (B) UNDATED OPIC MEMORANDUM
REQUESTING PRELIMINARY INFORMATION

DEPART PASS OPIC FOR ELLA E. VICK, APPLICATIONS OFFICER

1. DURING RECENT WEEKS SUN MARINE DRILLING COMPANY OFFICERS AND CEULON PETROLEUM CORPORATION (CPC) EXECUTIVES HAVE CONFIRMED THAT SUN MARINE HAS GOOD CHANCE FOR SELECTION FOR OFF-SHORE DRILLING CONTRACT FOLLOWING CPC WORLD-WIDE CALL FOR BIDS (SEE REFTEL). ON JUNE 17 CPC VICE CHAIRMAN TOLD EMBASSY CPC HAS NOW NARROWED POSSIBILITIES TO "FOUR OR FIVE FIRMS", HAS CALLED FOR FURTHER DETAILS FROM THOSE FIRMS, AND WILL MAKE SELECTION WITHIN NEXT FEW WEEKS. CPC WILL THEN ENTER DETAILED NEGOTIATIONS WITH SELECTED FIRM TOWARD ACTUAL SIGNING OF DRILLING CONTRACT.

2. FOLLOWING EARLY MAY OPIC MEMORANDUM REQUESTING PRELIMINARY INFORMATION FOR EVENTUAL OPIC POLITICAL RISK INSURANCE WE DISCUSSED SUN MARINE PROPOSAL IN THAT CONTEXT WITH CPC AND VISITING SUN MARINE OFFICIALS. (VICE PRESIDENTS R.H. GRAHN AND DEWITT KNOX). HEREWIT ARE RESPONSES TO MEMORANDUM'S SPECIFIC QUESTIONS FOLLOWED BY QUESTIONS WE HAVE WITH RESPECT TO APPLICATION AND PROCEDURE WHEN
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 COLOMB 01984 241200Z

FORMAL APPLICATION FOR OPIC INSURANCE IS MADE.

A. INVENTMENT "NEWNESS"; SUN MARINE OFFER OF SERVICES
IS IN REPOSE TO FEBRUAR 26 CPC WORLD-WIDE ALL FOR
BIDS. SUN MARINE HAS HAD NO PREVIOUS OPERATIONS
HERE. THUS IT IS "NEW".

B. THE NATURE AND PURPOSE OF PROPOSED PROJECT IS
AS DESCRIBED IN THE REQUEST FOR REGISTRATION.

C. PROBABLE VENEFITS TO SRI LANKA ECONOMY: GSL-CPC
HAS HAD ONGOING OIL EXPLORATION PROGRAM FOR SEVERAL
YEARS ALTHOUGH WE UNAWARE EXACT ECONOMIC CALCULATIONS
GSL HAS MADE TO DETERIME CRITERIA COMMERICALLY
EXPLOITABLY DISCOVERY. THERE IS NO QUESTION THAT
OIL FIND WOULD BENEFIT SRI LANKA AS CLEARLY ONE OF
MOST SERVELY AFFECTED COUNTRIES FOLLOWING
OIL AND FOOD PRICE INFLATION OF LAST SEVERAL YEARS.

D. EMBASSY HAS O REASON TO BELIVE IT WOULD
RECOMMEND AGAINST ISSURING INSURANCE IF CPC
SELECTS SUN MARINE. THERE IS NO REASON TO BELIEVE GSL
WOULD NOT APPROVE PROJECT.

3. WITH RESPECT TO THIS OPIC INSURANCE REGISTRATION
WE HAVE TWO QUESTIONS. FIRST, THIS IS NOT A
PROPOSED INVESTMENT; RATHER IT WOLD B A CONTRACT WITH
A GOVERNMENT-OWNED CORPORATION FOR SERVICES RENDERED
ON ATURN KEY BASIS. SUN MARINE WOULD HAVE NO EQUITY
OR PARTICIPATION BUT WOULD SPPLY EQUIPMENT AND
SERVICES FOR A FEE. CAN OPIC PLITICAL RISK INSURANCE
APPLY TO SKRH A VENTURE; SECOND, UNDER THE BILATERAL
AGREEMENT, CERTAIN GSL INVESTMENT APPROVAL PROCEDURE
IS PROVIDED. AS WE UNDERSTAND IT, GOVERNMENT
APPROVAL WOULD BE REFLECTED ONLY IN A CONTRACT SIGNED BY
SUN MARINE AND CPC. IT MAY BE THAT PLANNING MINISTRY
INVESTMENT APPROVAL AUTHORITY CAN BE OBTAINED PRO
FORMA, BUT WE WOULD LIKE TO KNOW IF THIS WOULD SATISFY
OPIC AND BILATERAL AGREEMENT REQUIREMENTS.

VAN HOLLEN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM CONCESSIONS, EXPLORATORY DRILLING
Control Number: n/a
Copy: SINGLE
Draft Date: 24 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975COLOMB01984
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750218-1196
From: COLOMBO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750618/aaaaaqlo.tel
Line Count: 96
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION OPIC
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 COLOMBO 1176
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 14 FEB 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 FEB 2003 by PhilliR0>; APPROVED <11 MAR 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: AMERICAN FIRM BID FOR OFF-SHORE DRILLING; OPIC INSURANCE
TAGS: BGEN, EINV, CE, SUN MARINE DRILLING CO
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006